



STATE OF ALASKA  
DEPARTMENT OF  
**COMMERCE**  
COMMUNITY AND  
ECONOMIC DEVELOPMENT

*Mike Dunleavy, Governor*  
*Julie Anderson, Commissioner*  
*Robert M. Pickett, Chairman*

**Regulatory Commission of Alaska**

April 16, 2020

In reply refer to: Finance Section

Curtis Thayer  
Executive Director  
Alaska Energy Authority  
813 W. Northern Lights Blvd.  
Anchorage, AK 99503

Dear Mr. Thayer:

On April 9, 2020, in preparation of the mandates in SB241 specifically related to Power Cost Equalization (PCE),<sup>1</sup> the Regulatory Commission of Alaska (Commission) approved temporary changes related to recommending a utility for suspension of PCE disbursements due to non-compliance of its filing requirements and is waiving 3 AAC 52.680. These temporary changes began when Governor Dunleavy signed SB241 on April 10, 2020, and will end when the COVID-19 health disaster no longer exists.

Currently, the Commission sends a recommendation to the Alaska Energy Authority (AEA), recommending the suspension of a utility's PCE disbursement, when a utility has not filed its fuel report (3 AAC 52.640)<sup>2</sup> or annual report (3 AAC 52.660)<sup>3</sup> by its specified due date. SB241 Section 19(e)<sup>4</sup> provides that the Commission may not deny a utility (otherwise eligible to receive PCE payments on behalf of a utility customer) PCE payments for utility customers receiving protection under (a) of this section. Although a utility that is non-compliant with filing requirements might not remain "otherwise eligible," suspension of PCE disbursements during the COVID-19 pandemic, may be inconsistent with the policy objectives of the bill. Therefore, the Commission will cease recommending suspension of utility's PCE disbursements, solely due to non-compliance with filing requirements, until after the COVID-19 health disaster no longer exists.

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<sup>1</sup> See Section 19(e).

<sup>2</sup> 3 AAC 52.640 Adjustments to Power Cost Equalization.

<sup>3</sup> 3 AAC 52.660 Annual Filing Requirements.

<sup>4</sup> Section 19(e) states "notwithstanding any contrary provision of law, the Regulatory Commission of Alaska and the Alaska Energy Authority may not deny a utility otherwise eligible to receive power cost equalization payments on behalf of a utility customer power cost equalization payments for customers receiving protection under (a) of this section."

Under 3 AAC 52.680,<sup>5</sup> if a utility does not file its fuel or annual report by the required due date, the PCE becomes interim and refundable as of the due date and remains interim and refundable until the Commission establishes permanent PCE amounts. There is a potential for a refund liability to the utility. This refund liability may occur if the permanent PCE amount is less than the interim and refundable PCE amount, in which case AEA may recover the difference between the two amounts. The Commission does not want to put a utility in the position of having to return PCE payments to AEA. Therefore, the Commission is waiving 3 AAC 52.680 to coincide with the timeframe the Commission is not recommending suspension of a utility's PCE disbursements.

Sincerely,

REGULATORY COMMISSION OF ALASKA



Robert M. Pickett  
Chairman

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<sup>5</sup> 3 AAC 52.680 Effect on Power Cost Equalization for Noncompliance.